GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:305
ANSWERED ON:23.03.2017
Viability Gap Funding under RCS
Kalvakuntla Smt. Kavitha

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government proposes to provide upto 25 per cent Viability Gap Funding (VGF) for sub-20 seater planes flying to unserved and underserved airports under the Regional Connectivity Scheme (RCS)/UDAN at a fare of Rs. 2500/- for one hour flights and if so, the details thereof;

(b) whether the Government has fixed a VGF cap for operation through category-1 fixed wing aircraft ranging from Rs. 2470/- for 150 kilometres to Rs. 5730/- per RCS seat upto 500 kilometres and if so, the details thereof; and

(c) whether any private/Government flight operator has been provided this VGF funding so far and if so, the details thereof?

Answer

Minister of CIVIL AVIATION

(Shri Ashok Gajapathi Raju Pusapati)

(a) to (c): A statement is laid on the table of the Lok Sabha.

STATEMENT IN RESPECT OF LOK SABHA STARRED QUESTION NO. 305, REGARDING "VIABILITY GAP FUNDING UNDER RCS" TO BE ANSWERED ON 23.03.2017.; (a): Ministry of Civil Aviation, Government of India has launched Regional Connectivity Scheme (RCS) to stimulate regional Air connectivity by making it affordable. Government intends to make regional air connectivity affordable by supporting selected airline operators by providing concessions by Central / State Governments and by providing financial support in the form of Viability Gap Funding (VGF) to meet the gap between the cost of airline operations and expected revenue on such routes. There is no fixed percentage of VGF in the Scheme at present.; (b): The VGF to be provided depends upon the stage length and VGF cap for operation through category-1 fixed wing aircraft (aircraft with seating capacity of <= 20 seats) ranges from Rs. 2470/- for 150 kilometers to Rs. 5730/- per RCS seat upto 500 kilometer. (c): No private / Government flight operator has been provided this VGF funding under the RCS, so far.